



JTPA

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Serving the People of California

DIRECTIVE

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TO: SERVICE DELIVERY AREA ADMINISTRATORS
PRIVATE INDUSTRY COUNCIL CHAIRPERSONS
JTPD PROGRAM OPERATORS
EDD JOB SERVICE OFFICE MANAGERS
JTPD STAFF

SUBJECT: TITLE II PERFORMANCE STANDARDS FOR PROGRAM YEAR
1996-97

EXECUTIVE SUMMARY:

Purpose:

This Directive provides performance standards data and instructions for Program Year (PY) 1996-97.

Scope:

The performance standards requirements contained in this Directive are applicable to the Title II-A 77 percent adult and the Title II-C 82 percent youth programs.

Effective Date:

This Directive is effective immediately.

REFERENCES:

- Job Training Partnership Act (JTPA) Section 106
- 20 Code of Federal Regulations, Sec. 626-629, Final Rule
- Guide to JTPA Performance Standards for Program Years 1994 and 1995 (TAG), dated July 29, 1994, transmitted by Training and Employment Information Notice No. 16-94, dated December 13, 1994
- Job Training Partnership Act Title II and Title III Performance Standards for Program Years 1996 and 1997, transmitted by the Training and Employment Guidance Letter (TEGL) No. 4-95, Change 2, dated August 20, 1996

STATE-IMPOSED REQUIREMENTS:

This document contains state-imposed requirements which are printed in ***bold italic type***.

FILING INSTRUCTIONS:

This Directive supersedes JTPA Directive D95-12, dated August 21, 1995. Retain this Directive until further notice.

BACKGROUND:

Section 106 of the JTPA requires that the Secretary of the Department of Labor (DOL) prescribe performance standards for adult and youth training programs under Title II. The Secretary has provided multiple regression models for use by the Governors to accomplish this provision. In addition, Section 106 (d) further provides that each Governor shall prescribe, within parameters established by the Secretary, 1) variations in the performance standards based upon specific economic, geographic and demographic factors in each Service Delivery Area (SDA); 2) the characteristics of the population to be served; 3) the demonstrated difficulties in serving the population; and 4) the type of service to be provided. If an SDA fails to meet its performance standards for two consecutive program years, the Governor is required to impose a reorganization plan.

In May of 1996, the DOL modified the definition of exceeding and failing standards overall in response to the cuts in the youth program funding. SDAs will no longer be penalized for failing both youth standards as long as they meet at least four of the six core standards.

POLICY AND PROCEDURES:

The SDA standards for Title II-A, 77 percent, and Title II-C, 82 percent programs are set by using the Secretary's multiple regression models. Regression models account for local factors which affect performance such as participant characteristics, program mix, and unemployment rate.

Terminees who receive only objective assessment services are excluded from the calculations of performance measures.

I. MEASURES

For PY 1996-97, the Secretary retained the same 11 Title II measures used in PY 1995-96. Six of these measures are core standards that the Governor is required to use in awarding incentive grants and applying sanctions. The Governor may also use any or all of the five optional measures for incentive purposes, or other standards developed by the Governor. For PY 1996-97 the Governor elected to use only the six core measures. These are:

- A. Adult Follow-Up Employment Rate - the total number of adult respondents who were employed, for at least 20 hours per week, during the 13th full

calendar week after termination, divided by the total number of adult respondents (i.e., terminees who completed follow-up interviews).

- B. Adult Follow-Up Weekly Earnings - the total weekly earnings for all adult respondents employed, for at least 20 hours per week, during the 13th full calendar week after termination, divided by the total number of adult respondents employed, for at least 20 hours per week, at the time of follow-up.
- C. Adult Welfare Follow-Up Employment Rate - the total number of adult welfare respondents who were employed, for at least 20 hours per week, during the 13th full calendar week after termination, divided by the total number of adult welfare respondents (i.e., terminees who completed follow-up interviews).
- D. Adult Welfare Follow-Up Weekly Earnings - the total weekly earnings for all welfare respondents employed, for at least 20 hours per week, during the 13th full calendar week after termination, divided by the total number of welfare respondents employed, for at least 20 hours per week, at the time of follow-up.
- E. Entered Employment Rate - the total number of youth who entered employment (of at least 20 hours per week) at termination, divided by the total number of youth who terminated, excluding potential dropouts who are reported [on the Standardized Program Information Report (SPIR)] as remained-in-school and dropouts who are reported (on the SPIR) as returned-to-school (but did not also enter employment of at least 20 hours per week).

NOTE: Youth terminees who remain-in-school or return-to-school and entered employment (of at least 20 hours per week) will not be excluded from the termination pool reflected in the denominator of the Youth Entered Employment Rate.

- F. Employability Enhancement Rate - the total number of youth who attained one of the employability enhancements at termination, whether or not they also entered employment, divided by the total number of youth who terminated. (Note: when calculating this rate, a youth is counted only once, regardless of how many outcomes are attained. Youth employability enhancements include:
 - 1. Attained two or more Private Industry Council-recognized youth employment competencies;
 - 2. Completed major level of education;
 - 3. Entered and retained in non-Title II training;

4. Returned to and retained in full-time school; and
5. Remained in school.

NOTE: For performance standards purposes, the definition of employment of 20 or more hours per week is to be understood as a condition of employment.

G. MEASURES NOT SELECTED

The five optional measures not selected for Title II are: Adult Entered Employment Rate; Adult Wage at Placement; Welfare Entered Employment Rate; Adult Follow-Up Weeks Worked; and Youth Positive Termination Rate. Although performance will be tracked and reported, no incentives or sanctions will be applied to these measures.

H. COST MEASURES

The Secretary prohibits using cost measures for incentives and sanctions purposes. Worksheets for these two measures, the Adult Cost per Entered Employment Rate and the Youth Cost per Positive Termination Rate are included in this Directive for informational purposes only.

II. PERFORMANCE LEVELS

Three levels of performance have been established for PY 1996-97. These criteria apply only to the six core measures selected for incentives and sanctions purposes.

EXCEEDS STANDARDS - an SDA's performance exceeds standards on at least five of the six core standards.

MEETS STANDARDS - an SDA's performance equals or exceeds standards on four of the six core standards.

FAILS STANDARDS - an SDA's performance equals or exceeds standards on fewer than four of the six core standards.

III. INCENTIVE AWARDS

To be eligible for an incentive award, an SDA must ensure that at least 65 percent of the Title II-A 77 percent participants and 65 percent of the Title II-C 82 percent participants (in-school and out-of-school combined) receiving services beyond objective assessment are hard-to-serve. Participants in school-wide projects under Section 263(g) and Title II 5 percent incentive funded projects are included in the 65 percent calculations.

The SDAs which exceed Title II performance standards, as defined above, and meet the 65 percent hard-to-serve criteria for both the adult and the youth

participants, are eligible to receive an incentive award. Eligibility is predicated on state monitoring of Job Training Automation (JTA) system to ensure that reports can be fairly used to calculate performance standards outcomes.

For PY 1996-97, the awards will be made in the following manner:

- ***SDAs which exceed all six core standards will receive not less than \$135,000 and not more than \$600,000.***
- ***SDAs which exceed five of the six core standards will receive not less than \$100,000 and not more than \$500,000.***

Note: The minimum, maximum or overall award amounts may be reduced based on SJTCC recommendations related to reductions of federal allocations to the states.

Taking into consideration these minimum and maximum amounts, awards will be calculated based on the number of standards exceeded and the size of the SDA's Title II-A 77 percent and Title II-C 82 percent allocations.

An SDA's award may be reduced if that SDA has had funds recaptured in the prior two consecutive program years due to under-utilization. Please refer to the Directive on funds utilization.

IV. TECHNICAL ASSISTANCE AND CORRECTIVE ACTION

The SDAs which fail standards overall must submit a Technical Assistance (TA) plan.

The Governor is required to impose a reorganization plan upon any SDA which fails its overall standards in two successive years.

V. POSTPROGRAM FOLLOW-UP

Four of the six Title II core measures that will be used for incentives and sanctions in PY 1996-97 are adult follow-up standards. Therefore, postprogram follow-up reporting and data collection is of vital importance to the state and SDAs.

Requirements for minimum postprogram data submission, minimum sample size, and response rates are as follows:

A. MINIMUM DATA SUBMISSION

The SDAs are required to submit postprogram data on all terminees to JTPD on a monthly basis. They are provided some latitude in meeting this monthly 100 percent data submission requirement, each month, as long as the assurance of statistical reliability and quality data is maintained. Nevertheless, all SDAs should meet this requirement by the end of the postprogram year. SDAs who fail to submit terminnee data on a timely and complete basis will be required to complete a corrective action plan. They will also be subject to additional on-site monitoring to ensure that they are not manipulating performance outcomes by failing to submit non-positive terminations in a timely manner. Monitoring findings that indicate manipulation of the data could result in loss of the incentive award.

B. MINIMUM SAMPLE SIZE

The State's contractor for the postprogram follow-up survey is the University of California at Berkeley (UCB) Survey Research Center. The UCB samples all, or a percentage, of each SDA's monthly terminees, using a sampling rate which is based on each SDA's estimated number of terminees for the postprogram year and the DOL required minimum sample size for that estimated number of terminees.

C. RESPONSE RATE

For each SDA, a minimum combined (i.e., employed and unemployed at termination) response rate of 70 percent is required for each group of terminees: Title II-A adults and Title II-A welfare adults. The SDAs which fail to meet the minimum response rate to any of the above terminnee groups will be required to submit a corrective action plan.

VI. SETTING STANDARDS

A. REGRESSION MODEL WORKSHEETS

Regression model worksheets and instructions for the calculation of performance standards for this program year are contained in Attachments I, II and III. These worksheets were issued by the DOL in TEGL 4-95, Change 2. The worksheets were generated using a statistical technique called multiple regression analysis. This method estimates the factor weights presented on the worksheets. The weights represent the simultaneous influences of various participant characteristics and local economic conditions on SDA program performance.

Attachment VI provides the SPIR equivalent of the worksheet local factors.

B. DATABASE

For initial planning, local factor values for terminee characteristics in the performance standard worksheets (i.e., planned standards) should correspond to the values indicated in the Job Training Plan, Part II, Sections 5 and 6. However, when calculating performance standards during or at the end of a program year, local factor values are based on the participant characteristics reported quarterly, to the state, on the JTPA 11, Participant Characteristics Summary (i.e., based on actual performance).

Local economic data for PY 1996-97 are provided on Attachment IV. These data are based upon the latest available information prepared by the Employment Development Department's Labor Market Information Division, or by the DOL. When there is more than one SDA within a county, SDA level data will be used for each SDA within the county. However, if all SDAs within the county request use of the county-wide data, then county-wide level data will be used for the affected SDAs.

C. EXTREME VALUES

Although the regression models produce meaningful performance standards for most SDAs, under some circumstances the results are unacceptably extreme. Each year, the Secretary publishes tables of extreme values for model-adjusted standards and for local factors. Extreme values are listed in Attachment V, Tables I, II and III.

Extreme local factor values may indicate the need for adjustments beyond the model. Whenever an SDA has one or more extreme local factor values, we encourage a request for an adjustment. The JTPD staff will unilaterally adjust any model-adjusted standards with extreme values (unless the adjustment will have no effect on whether or not the SDA exceeds the standard). Adjustments using a tolerance range (as referenced in Part G of the DOL performance standards guide) will not be considered.

D. ADJUSTMENTS BEYOND THE MODEL

The regression models do not necessarily take into account every factor that may affect performance. Further, weights applied to local factors in the models are based on national performance levels, and this may not reflect California experience. Therefore, requests for adjustments to performance standards are encouraged whenever local circumstances make such adjustments appropriate. Adjustments are applied to core measures only. Please refer to JTPA Directive D95-10, Adjustment of SDA Performance Standards, dated August 17, 1995.

Note: since there is no bonus award for the extent to which a standard is exceeded, the state will not adjust standards already being exceeded.

VII. CALCULATION

A. DATA

Actual performance will be calculated on the basis of termination data contained in the fourth quarter SDA reports due July 25 and on follow-up data for JTPA terminees from April 1st through March 31st (the fourth quarter of the prior program year through the third quarter of the actual program year). The core standards for Title II adults, which are all postprogram measures, will be calculated using the data derived from the UCB postprogram follow-up interviews.

State monitoring of JTA systems will be performed to ensure the accuracy and validity of reported data. If an SDA is required to submit revised fourth quarter reports as a result of monitoring findings, only revised reports that affect the SDA unfavorably will be used for incentive award calculations. Revised reports which result in improved SDA performance will not be used.

Both the Title II-A and Title II-C performance outcomes will be judged on the basis of their 77 percent and 82 percent terminees, respectively. If an SDA elects to combine incentive funds with either adult and/or youth program funds (as approved in the two-year plan), the 5 percent incentive funds and participants will lose their 5 percent fund identity.

B. WELFARE MEASURES

For performance standards purposes, participants are considered as welfare recipients only if they are listed on the welfare grant. Welfare recipients include individuals receiving Aid to Families with Dependent Children (AFDC), General Assistance (GA) or Refugee Cash Assistance (RCA) as collected or confirmed at eligibility termination. Supplement Security Income/State Supplemental Payments recipients are not counted as welfare recipients for performance standards purposes.

The state will continue to use Method II, the ratio method, to calculate standards on the welfare measures. The PY 1996-97 ratios are as follows:

Follow-Up Employment Rate	= .75
Welfare Follow-Up Weekly Earnings Ratio	= .77
Adult Welfare Entered Employment Rate	= .92

These ratios have been preprinted in the appropriate spaces on the worksheets incorporated in Attachments I and II.

C. VARIANCE

Variance is the degree by which a standard is exceeded, met or failed.

For the Title II rate measures (entered employment, positive termination, and employability enhancement rates and weeks worked), the variance will be the difference between the standard and the actual performance.

For the Title II earnings measures (weekly earnings and wages at placement) the variance will be calculated by dividing the standard into the difference between the standard and the actual performance.

EXAMPLES

Follow-Up Employment Rate Performance	73.50 %
Follow-Up Employment Rate Standard	- 65.50 %
Difference	<u>+ 8.00 %</u>
Variance (equal to the difference)	8.00 %

Follow-Up Weekly Earnings Performance	\$244.10
Follow-Up Weekly Earnings Standard	<u>- 234.10</u>
Difference	+ 10.00
Variance	$(\$10.00 \div \$234.10) \times 100 = 4.27 \%$

ACTION:

It is the SDA's responsibility to establish, maintain, and exercise ongoing controls to ensure compliance with these requirements.

INQUIRES:

Please direct comments to John Ives, Manager, Data Analysis Unit, at (916) 654-8281.

/S/ VICKI J. JOHNSRUD
Acting Chief

Attachments are not available online. To obtain a copy e-mail JTPD at JTPDLIB@EDD.CA.GOV or contact Jim Scholl at (916) 657-4610.

1. Worksheets for Calculating Title II Core Performance Standards PY 1996-97
 - a) Follow-Up Employment Rate (Adult)
 - b) Welfare Follow-Up Employment Rate (Method II)
 - c) Follow-Up Weekly Earnings (Adult)
 - d) Welfare Follow-Up Weekly Earnings (Method II)
 - e) Youth Entered Employment Rate

- f) Youth Employability Enhancement Rate
2. Worksheets for Calculating Title II Non-Core Performance Standards PY 1996-97
- a) Entered Employment Rate (Adult)
 - b) Welfare Entered Employment Rate (Method II)
 - c) Wage at Placement (Adult)
 - d) Follow-Up Weeks Worked (Adult)
 - e) Youth Positive Termination Rate
 - f) Cost per Entered Employment (Adult)
 - g) Cost per Positive Termination (Youth)
3. General Instructions for Completing JTPA Performance Standards Worksheets PY 1996-97
4. Economic Data for Performance Standards PY 1996-97
5. Extreme Values PY 1996-97
6. Calculations of Factors on Performance Standards Worksheets from SPIR Data Items PY 1996-97

INACTIVE